

# **ENGROSSED HOUSE BILL No. 1320**

DIGEST OF HB 1320 (Updated February 12, 2004 8:24 am - DI 104)

Citations Affected: IC 6-1.1; IC 12-29; noncode.

Synopsis: Human services. Provides that the maximum appropriation and tax levy for community mental health centers must be annually recalculated based on the increase in the assessed value growth quotient. Separates the laws concerning financing community mental health centers from the laws concerning financing community mental retardation and other developmental disabilities centers. Requires the select joint commission on Medicaid oversight to study certain effects resulting from the repeal of continuous eligibility under the Indiana Medicaid program and the children's health insurance program. Repeals an obsolete provision.

Effective: December 12, 2003 (retroactive); January 1, 2004 (retroactive); July 1, 2004.

# Hasler, Crawford, Frizzell, Espich

(SENATE SPONSORS — MILLER, SIMPSON)

January 15, 2004, read first time and referred to Committee on Ways and Means. January 29, 2004, amended, reported — Do Pass. February 2, 2004, read second time, amended, ordered engrossed. February 3, 2004, engrossed. February 5, 2004, read third time, passed. Yeas 90, nays 2.

SENATE ACTION February 9, 2004, read first time and referred to Committee on Health and Provider

February 12, 2004, amended, reported favorably — Do Pass.











### Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

# ENGROSSED HOUSE BILL No. 1320

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-1.1-18-12, AS ADDED BY P.L.1-2004.
SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
DECEMBER 12, 2003 (RETROACTIVE)]: Sec. 12. (a) For purposes
of this section "maximum rate" refers to the maximum.

- (1) property tax rate or rates; or
- (2) special benefits tax rate or rates; referred to in the statutes listed in subsection (d).
- (b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.
  - (c) The maximum rate must be adjusted:
    - (1) each time an annual adjustment of the assessed value of real property takes effect under IC 6-1.1-4-4.5; and
  - (2) each time a general reassessment of real property takes effect under IC 6-1.1-4-4.
- 17 (d) The statutes to which subsection (a) refers are:

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1
                   (1) IC 8-10-5-17;
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                   (2) IC 8-22-3-11;
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                   (3) IC 8-22-3-25;
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                   (4) IC 12-29-1-1;
 5
                   (5) IC 12-29-1-2;
 6
                   (6) IC 12-29-1-3;
 7
                   <del>(7)</del> IC 12-29-2-13;
 8
                   <del>(8)</del> (7) IC 12-29-3-6;
 9
                   <del>(9)</del> (8) IC 13-21-3-12;
10
                   <del>(10)</del> (9) IC 13-21-3-15;
11
                   <del>(11)</del> (10) IC 14-27-6-30;
12
                   <del>(12)</del> (11) IC 14-33-7-3;
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                   <del>(13)</del> (12) IC 14-33-21-5;
14
                   <del>(14)</del> (13) IC 15-1-6-2;
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                   <del>(15)</del> (14) IC 15-1-8-1;
16
                   <del>(16)</del> (15) IC 15-1-8-2;
17
                   <del>(17)</del> (16) IC 16-20-2-18;
18
                   <del>(18)</del> (17) IC 16-20-4-27;
19
                   <del>(19)</del> (18) IC 16-20-7-2;
20
                   <del>(20)</del> (19) IC 16-23-1-29;
21
                   <del>(21)</del> (20) IC 16-23-3-6;
22
                   <del>(22)</del> (21) IC 16-23-4-2;
23
                   <del>(23)</del> (22) IC 16-23-5-6;
24
                   <del>(24)</del> (23) IC 16-23-7-2;
25
                   <del>(25)</del> (24) IC 16-23-8-2;
26
                   <del>(26)</del> (25) IC 16-23-9-2;
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                   <del>(27)</del> (26) IC 16-41-15-5;
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                   (28) (27) IC 16-41-33-4;
29
                   <del>(29)</del> (28) IC 20-5-17.5-2;
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                   (30) (29) IC 20-5-17.5-3;
31
                   <del>(31)</del> (30) IC 20-5-37-4;
32
                   <del>(32)</del> (31) IC 20-14-7-5.1;
33
                   <del>(33)</del> (32) IC 20-14-7-6;
34
                   <del>(34)</del> (33) IC 20-14-13-12;
35
                   <del>(35)</del> (34) IC 21-1-11-3;
36
                   <del>(36)</del> (35) IC 21-2-17-2;
37
                   (37) (36) IC 23-13-17-1;
38
                   (38) (37) IC 23-14-66-2;
39
                   (39) (38) IC 23-14-67-3;
40
                   <del>(40)</del> (39) IC 36-7-13-4;
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                   (41) (40) IC 36-7-14-28;
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                   <del>(42)</del> (41) IC 36-7-15.1-16;
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1	<del>(43)</del> <b>(42)</b> IC 36-8-19-8.5;	
2	<del>(44)</del> <b>(43)</b> IC 36-9-6.1-2;	
3	<del>(45)</del> <b>(44)</b> IC 36-9-17.5-4;	
4	<del>(46)</del> <b>(45)</b> IC 36-9-27-73;	
5	<del>(47)</del> <b>(46)</b> IC 36-9-29-31;	
6	<del>(48)</del> <b>(47)</b> IC 36-9-29.1-15;	
7	<del>(49)</del> <b>(48)</b> IC 36-10-6-2;	
8	<del>(50)</del> <b>(49)</b> IC 36-10-7-7;	
9	<del>(51)</del> <b>(50)</b> IC 36-10-7-8;	_
10	<del>(52)</del> <b>(51)</b> IC 36-10-7.5-19; and	4
11	(53) (52) any statute enacted after December 31, 2003, that:	
12	(A) establishes a maximum rate for any part of the:	
13	(i) property taxes; or	
14	(ii) special benefits taxes;	
15	imposed by a political subdivision; and	_
16	(B) does not exempt the maximum rate from the adjustment	
17	under this section.	
18	(e) The new maximum rate under a statute listed in subsection (d)	
19	is the tax rate determined under STEP SEVEN of the following STEPS:	
20	STEP ONE: Determine the maximum rate for the political	
21	subdivision levying a property tax or special benefits tax under	
22	the statute for the year preceding the year in which the annual	
23	adjustment or general reassessment takes effect.	
24	STEP TWO: Determine the actual percentage increase (rounded	
25	to the nearest one-hundredth percent (0.01%)) in the assessed	
26	value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the	
27	taxable property from the year preceding the year the annual	
28	adjustment or general reassessment takes effect to the year that	
29	the annual adjustment or general reassessment takes effect.	
30	STEP THREE: Determine the three (3) calendar years that	
31	immediately precede the ensuing calendar year and in which a	
32	statewide general reassessment of real property does not first take	
33	effect.	
34	STEP FOUR: Compute separately, for each of the calendar years	
35	determined in STEP THREE, the actual percentage increase	
36	(rounded to the nearest one-hundredth percent (0.01%)) in the	
37	assessed value (before the adjustment, if any, under	
38	IC 6-1.1-4-4.5) of the taxable property from the preceding year.	
39	STEP FIVE: Divide the sum of the three (3) quotients computed	
40	in STEP FOUR by three (3).	
41	STEP SIX: Determine the greater of the following:	
42	(A) Zero (0).	





1	(D) The second of the CITED TWO seconds are since the CITED
1 2	(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.
3	STEP SEVEN: Determine the quotient of the STEP ONE tax rate
4	divided by the sum of one (1) plus the STEP SIX percentage
5	increase.
6	(f) The department of local government finance shall compute the
7	maximum rate allowed under subsection (e) and provide the rate to
8	each political subdivision with authority to levy a tax under a statute
9	listed in subsection (d).
10	SECTION 2. IC 6-1.1-18.5-10 IS AMENDED TO READ AS
11	FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:
12	Sec. 10. (a) The ad valorem property tax levy limits imposed by section
13	3 of this chapter do not apply to ad valorem property taxes imposed by
14	a civil taxing unit to be used to fund:
15	(1) community mental health centers under IC 12-29-2-1
16	IC 12-29-2-2 through <del>IC 12-29-2-6;</del> IC 12-29-2-5; or
17	(2) community mental retardation and other developmental
18	disabilities centers under IC 12-29-1-1;
19	to the extent that those property taxes are attributable to any increase
20	in the assessed value of the civil taxing unit's taxable property caused
21	by a general reassessment of real property that took effect after
22	February 28, 1979.
23	(b) For purposes of computing the ad valorem property tax levy
24	limits imposed on a civil taxing unit by section 3 of this chapter, the
25	civil taxing unit's ad valorem property tax levy for a particular calendar
26	year does not include that part of the levy described in subsection (a).
27	SECTION 3. IC 12-29-1-1 IS AMENDED TO READ AS
28	FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:
29	Sec. 1. (a) The county executive of a county may authorize the
30	furnishing of financial assistance to the following:
31	(1) A community mental health center that is located or will be
32	located in the county.
33	(2) a community mental retardation and other developmental
34	disabilities center that is located or will be located in the county.
35	(b) Assistance authorized under this section shall be used for the
36	following purposes:
37	(1) Constructing a center.
38	(2) Operating a center.
39 40	(c) Upon request of the county executive, the county fiscal body
40 41	may appropriate annually from the county's general fund the money to
41 42	provide financial assistance for the purposes described in subsection (b). The appropriation may not exceed the amount that could be
+4	(0). The appropriation may not exceed the amount that could be



collected from an annual tax levy of not more than three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

SECTION 4. IC 12-29-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 2. (a) If a community mental health center or a community mental retardation and other developmental disabilities center is organized to provide services to at least two (2) counties, the county executive of each county may authorize the furnishing of financial assistance for the purposes described in section 1(b) of this chapter.

(b) Upon the request of the county executive of the county, the county fiscal body of each county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. The appropriation of each county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

SECTION 5. IC 12-29-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 3. (a) The county executive of each county whose residents may receive services from a community mental health center or a community mental retardation and other developmental disabilities center may authorize the furnishing of a share of financial assistance for the purposes described in section 1(b) of this chapter if the following conditions are met:

- (1) The facilities for the center are located in a state adjacent to Indiana.
- (2) The center is organized to provide services to Indiana residents.
- (b) Upon the request of the county executive of a county, the county fiscal body of the county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. The appropriations of the county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

SECTION 6. IC 12-29-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 4. (a) Bonds of a county may be issued for the construction and equipment or the improvement of a building to house the following:

(1) A community mental health center.







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1	(2) a community mental retardation and other developmental
2	disabilities center.
3	(b) If services are provided to at least two (2) counties:
4	(1) bonds of the counties involved may be issued to pay the
5	proportionate cost of the project in the proportion determined and
6	agreed upon by the fiscal bodies of the counties involved; or
7	(2) bonds of one (1) county may be issued and the remaining
8	counties may annually appropriate to the county issuing the bonds
9	amounts to be applied to the payment of the bonds and interest on
10	the bonds in the proportion agreed upon by the county fiscal
11	bodies of the counties involved.
12	SECTION 7. IC 12-29-1-7, AS AMENDED BY P.L.215-2001,
13	SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14	JANUARY 1, 2004 (RETROACTIVE)]: Sec. 7. (a) On the first
15	Monday in October, the county auditor shall certify to:
16	(1) the division of mental health and addiction, for a community
17	mental health center;
18	(2)(1) the division of disability, aging, and rehabilitative services,
19	for a community mental retardation and other developmental
20	disabilities center; and
21	(3) (2) the president of the board of directors of each center;
22	the amount of money that will be provided to the center under this
23	chapter.
24	(b) The county payment to the center shall be paid by the county
25	treasurer to the treasurer of each center's board of directors in the
26	following manner:
27	(1) One-half $(1/2)$ of the county payment to the center shall be
28	made on the second Monday in July.
29	(2) One-half $(1/2)$ of the county payment to the center shall be
30	made on the second Monday in December.
31	A county making a payment under this subsection or from other county
32	sources to a community mental health center that qualifies as a
33	community mental health center disproportionate share provider under
34	IC 12-15-16-1 shall certify that the payment represents expenditures
35	eligible for financial participation under 42 U.S.C. 1396b(w)(6)(A) and
36	42 CFR 433.51. The office shall assist a county in making this
37	certification.
38	(c) Payments by the county fiscal body
39	(1) must be in the amounts:
40	(A) determined by IC 12-29-2-1 through IC 12-29-2-6; and
41	(B) authorized by section 1 of this chapter; and
12	(2) are in place of grants from agencies supported within the



1	county solely by county tax money.
2	SECTION 8. IC 12-29-2-1.2 IS ADDED TO THE INDIANA CODE
3	AS A <b>NEW</b> SECTION TO READ AS FOLLOWS [EFFECTIVE
4	JANUARY 1, 2004 (RETROACTIVE)]: Sec. 1.2. (a) The county
5	executive of a county may authorize the furnishing of financial
6	assistance for the purposes described in subsection (b) to a
7	community mental health center that is located or will be located:
8	(1) in the county;
9	(2) anywhere in Indiana, if the community mental health
10	center is organized to provide services to at least two (2)
11	counties, including the county executive's county; or
12	(3) in an adjacent state, if the center is organized to provide
13	services to Indiana residents, including residents in the county
14	executive's county.
15	If a community mental health center is organized to serve more
16	than one (1) county, upon request of the county executive, each
17	county fiscal body may appropriate money annually from the
18	county's general fund to provide financial assistance for the
19	community mental health center.
20	(b) Assistance authorized under this section shall be used for the
21	following purposes:
22	(1) Constructing a community mental health center.
23	(2) Operating a community mental health center.
24	(c) The appropriation from a county authorized under
25	subsection (a) may not exceed the following:
26	(1) For 2004, the product of the amount determined under
27	section 2(b)(1) of this chapter multiplied by two and five
28	hundred four thousandths (2.504).
29	(2) For 2005 and each year thereafter, the product of the
30	amount determined under section 2(b)(2) of this chapter for
31	that year multiplied by two and five hundred four
32	thousandths (2.504).
33	SECTION 9. IC 12-29-2-2, AS AMENDED BY P.L.1-2004,
34	SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35	JANUARY 1, 2004 (RETROACTIVE)]: Sec. 2. (a) Subject to
36	subsections (b), (c), and (d), A county shall fund the operation of
37	community mental health centers in an the amount not less than the
38	amount that would be raised by an annual tax rate of one and
39	thirty-three hundredths cents (\$0.0133) on each one hundred dollars
40	(\$100) of taxable property within the county, determined under
41	subsection (b), unless a lower tax rate levy amount will be adequate

to fulfill the county's financial obligations under this chapter in any of



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1	the following situations:
2	(1) If the total population of the county is served by one (1)
3	center.
4	(2) If the total population of the county is served by more than one
5	(1) center.
6	(3) If the partial population of the county is served by one (1)
7	center.
8	(4) If the partial population of the county is served by more than
9	one (1) center.
10	(b) This subsection applies only to a property tax that is imposed in
11	a county containing a consolidated city. The tax rate permitted under
12	subsection (a) for taxes first due and payable after 1995 is the tax rate
13	permitted under subsection (a) as adjusted under this subsection. For
14	each year in which an annual adjustment of the assessed value of real
15	property will take effect under IC 6-1.1-4-4.5 or a general reassessment
16	of property will take effect, the department of local government finance
17	shall compute the maximum rate permitted under subsection (a) as
18	follows:
19	STEP ONE: Determine the maximum rate for the year preceding
20	the year in which the annual adjustment or general reassessment
21	takes effect.
22	STEP TWO: Determine the actual percentage increase (rounded
23	to the nearest one-hundredth percent (0.01%)) in the assessed
24	value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
25	taxable property from the year preceding the year the annual
26	adjustment or general reassessment takes effect to the year that
27	the annual adjustment or general reassessment is effective.
28	STEP THREE: Determine the three (3) calendar years that
29	immediately precede the ensuing calendar year and in which a
30	statewide general reassessment of real property does not first
31	become effective.
32	STEP FOUR: Compute separately, for each of the calendar years
33	determined in STEP THREE, the actual percentage increase
34	(rounded to the nearest one-hundredth percent (0.01%)) in the
35	assessed value (before the adjustment, if any, under
36	IC 6-1.1-4-4.5) of the taxable property from the preceding year.
37	STEP FIVE: Divide the sum of the three (3) quotients computed
38	in STEP FOUR by three (3).
39	STEP SIX: Determine the greater of the following:
40	(A) Zero (0).
41	(B) The result of the STEP TWO percentage minus the STEP
42	FIVE percentage.



1	STEP SEVEN: Determine the quotient of:
2	(A) the STEP ONE tax rate; divided by
3	(B) one (1) plus the STEP SIX percentage increase.
4	This maximum rate is the maximum rate under this section until a new
5	maximum rate is computed under this subsection for the next year in
6	which an annual adjustment under IC 6-1.1-4-4.5 or a general
7	reassessment of property will take effect.
8	(c) With respect to a county to which subsection (b) does not apply,
9	The maximum tax rate permitted under subsection (a) for taxes first
10	due and payable in a calendar year 2004 and calendar year 2005 is the
11	maximum tax rate that would have been determined under subsection
12	(d) for taxes first due and payable in 2003 if subsection (d) had applied
13	to the county for taxes first due and payable in 2003.
14	(d) This subsection applies only to a county to which subsection (b)
15	does not apply. The tax rate permitted under subsection (a) for taxes
16	first due and payable after calendar year 2005 is the tax rate permitted
17	under subsection (c) as adjusted under this subsection. For each year
18	in which an annual adjustment of the assessed value of real property
19	will take effect under IC 6-1.1-4-4.5 or a general reassessment of
20	property will take effect, the department of local government finance
21	shall compute the maximum rate permitted under subsection (a) as
22	<del>follows:</del>
23	STEP ONE: Determine the maximum rate for the year preceding
24	the year in which the annual adjustment or general reassessment
25	takes effect.
26	STEP TWO: Determine the actual percentage increase (rounded
27	to the nearest one-hundredth percent (0.01%)) in the assessed
28	value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
29	taxable property from the year preceding the year the annual
30	adjustment or general reassessment takes effect to the year that
31	the annual adjustment or general reassessment is effective.
32	STEP THREE: Determine the three (3) calendar years that
33	immediately precede the ensuing calendar year and in which a
34	statewide general reassessment of real property does not first
35	become effective.
36	STEP FOUR: Compute separately, for each of the calendar years
37	determined under STEP THREE, the actual percentage increase
38	(rounded to the nearest one-hundredth percent (0.01%)) in the
39	assessed value (before the adjustment, if any, under
40	IC 6-1.1-4-4.5) of the taxable property from the preceding year.
41	STEP FIVE: Divide the sum of the three (3) quotients computed



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under STEP FOUR by three (3).

1	STEP SIX: Determine the greater of the following:	
2	(A) Zero (0).	
3	(B) The result of the STEP TWO percentage minus the STEP	
4	FIVE percentage.	
5	STEP SEVEN: Determine the quotient of:	
6	(A) the STEP ONE tax rate; divided by	
7	(B) one (1) plus the STEP SIX percentage increase.	
8	This maximum rate is the maximum rate under this section until a new	
9	maximum rate is computed under this subsection for the next year in	
10	which an annual adjustment under IC 6-1.1-4-4.5 or a general	
11	reassessment of property will take effect:	
12	(b) The amount of funding under subsection (a) for taxes first	
13	due and payable in a calendar year is the following:	
14	(1) For 2004, the amount is the amount determined under	
15	STEP THREE of the following formula:	
16	STEP ONE: Determine the amount that was levied within	
17	the county to comply with this section from property taxes	1
18	first due and payable in 2002.	
19	STEP TWO: Multiply the STEP ONE result by the	
20	county's assessed value growth quotient for the ensuing	
21	year 2003, as determined under IC 6-1.1-18.5-2.	
22	STEP THREE: Multiply the STEP TWO result by the	
23	county's assessed value growth quotient for the ensuing	
24	year 2004, as determined under IC 6-1.1-18.5-2.	
25	(2) For 2005 and each year thereafter, the result equal to:	
26	(A) the amount that was levied in the county to comply	
27	with this section from property taxes first due and payable	•
28	in the calendar year immediately preceding the ensuing	
29	calendar year; multiplied by	1
30	(B) the county's assessed value growth quotient for the	
31	ensuing calendar year, as determined under	
32	IC 6-1.1-18.5-2.	
33	SECTION 10. IC 12-29-2-13, AS AMENDED BY P.L.215-2001,	
34	SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE	
35	JANUARY 1, 2004 (RETROACTIVE)]: Sec. 13. (a) This section	
36	applies to a Lake County. having a population of not less than four	
37	hundred thousand (400,000) but not more than seven hundred thousand	
38	<del>(700,000).</del>	
39	(b) In addition to any other appropriation under this article, a the	
40	county annually may fund each center serving the county from the	
41	county's general fund in an amount not exceeding the amount that	
42	would be raised by a tax rate of one cent (\$0.01) on each one hundred	



1	dollars (\$100) of taxable property within the county the following:	
2	(1) For 2004, the product of the amount determined under	
3	section 2(b)(1) of this chapter multiplied by seven hundred	
4	fifty-two thousandths (0.752).	
5	(2) For 2005 and each year thereafter, the product of the	
6	amount determined under section 2(b)(2) of this chapter for	
7	that year multiplied by seven hundred fifty-two thousandths	
8	(0.752).	
9	(c) The receipts from the tax levied under this section shall be used	
0	for the leasing, purchasing, constructing, or operating of community	
1	residential facilities for the chronically mentally ill (as defined in	
2	IC 12-7-2-167).	
.3	(d) Money appropriated under this section must be:	
4	(1) budgeted under IC 6-1.1-17; and	
.5	(2) included in the center's budget submitted to the division of	
6	mental health and addiction.	
7	(e) Permission for a levy increase in excess of the levy limitations	$\Box$
8	may be ordered under IC 6-1.1-18.5-15 only if the levy increase is	
9	approved by the division of mental health and addiction for a	
20	community mental health center.	
21	SECTION 11. IC 12-29-2-17 IS ADDED TO THE INDIANA	
22	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS	
23	[EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 17. (a)	
24	Bonds of a county may be issued for the construction and	
25	equipment or the improvement of a building to house a community	
26	mental health center.	
27	(b) If services are provided to at least two (2) counties:	
28	(1) bonds of the counties involved may be issued to pay the	V
29	proportionate cost of the project in the proportion determined	
0	and agreed upon by the fiscal bodies of the counties involved;	
31	or	
32	(2) bonds of one (1) county may be issued and the remaining	
33	counties may annually appropriate to the county issuing the	
34	bonds amounts to be applied to the payment of the bonds and	
55	interest on the bonds in the proportion agreed upon by the	
66	county fiscal bodies of the counties involved.	
57	SECTION 12. IC 12-29-2-18 IS ADDED TO THE INDIANA	
8	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS	
9	[EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 18. All	
10	general Indiana statutes relating to the following apply to the	
1	issuance of county bonds under this chapter:	
12	(1) The filing of a petition requesting the issuance of bonds.	



1	(2) The giving of notice of the following:
2	(A) The filing of the petition requesting the issuance of the
3	bonds.
4	(B) The determination to issue bonds.
5	(C) A hearing on the appropriation of the proceeds of the
6	bonds.
7	(3) The right of taxpayers to appear and be heard on the
8	proposed appropriation.
9	(4) The approval of the appropriation by the department of
10	local government finance.
11	(5) The right of taxpayers to remonstrate against the issuance
12	of bonds.
13	SECTION 13. IC 12-29-2-19 IS ADDED TO THE INDIANA
14	CODE AS A NEW SECTION TO READ AS FOLLOWS
15	[EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 19. If
16	bonds are issued under this chapter:
17	(1) the building that is constructed, equipped, or improved
18	with proceeds of the bonds is:
19	(A) the property of the county issuing the bonds; or
20	(B) the joint property of the counties involved if the bonds
21	are issued by at least two (2) counties; and
22	(2) the tax limitations in this chapter do not apply to the levy
23	of taxes to pay the bonds and the interest on the bonds.
24	SECTION 14. IC 12-29-2-20 IS ADDED TO THE INDIANA
25	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS
26	[EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 20. (a) On
27	the first Monday in October, the county auditor shall certify to:
28	(1) the division of mental health and addiction, for a
29	community mental health center; and
30	(2) the president of the board of directors of each community
31	mental health center;
32	the amount of money that will be provided to the community
33	mental health center under this chapter.
34	(b) The county payment to the community mental health center
35	shall be paid by the county treasurer to the treasurer of each
36	community mental health center's board of directors in the
37	following manner:
38	(1) One-half $(1/2)$ of the county payment to the community
39	mental health center shall be made on the second Monday in
40	July.
41	(2) One-half (1/2) of the county payment to the community
42	mental health center shall be made on the second Monday in



1	December.
2	(c) A county making a payment under this section or from other
3	county sources to a community mental health center that qualifies
4	as a community mental health center disproportionate share
5	provider under IC 12-15-16-1 shall certify that the payment
6	represents expenditures eligible for financial participation under
7	42 U.S.C. 1396b(w)(6)(A) and 42 CFR 433.51. The office shall assist
8	a county in making this certification.
9	(d) Payments by the county fiscal body:
10	(1) must be in the amounts:
11	(A) determined by sections 2 through 5 of this chapter; and
12	(B) authorized by sections 1.2 and 13 of this chapter; and
13	(2) are in place of grants from agencies supported within the
14	county solely by county tax money.
15	SECTION 15. IC 12-29-2-6 IS REPEALED [EFFECTIVE
16	JANUARY 1, 2004 (RETROACTIVE)].
17	SECTION 16. [EFFECTIVE JANUARY 1, 2004
18	(RETROACTIVE)] (a) IC 12-29-1 and IC 12-29-2, both as amended
19	by this act, apply to property taxes first due and payable after
20	December 31, 2003.
21	(b) If the department of local government finance determines
22	that compliance with this act would cause an unreasonable delay
23	in the certification of budgets, tax rates, and tax levies in a county,
24	the department of local government finance may certify budgets,
25	tax rates, and tax levies for the county under IC 6-1.1-18-12,
26	IC 12-29-1, and IC 12-29-2 as if this act had not been passed.
27	However, if the department of local government finance takes this
28	action, the affected county and the department of local government
29	finance shall provide for an additional shortfall property tax levy
30	and an additional budgeted amount in 2005 to replace the revenue
31	lost in 2004 to community mental health centers as a result of
32	certifying budgets, tax rates, and tax levies for the county under
33	IC 6-1.1-18-12, IC 12-29-1, and IC 12-29-2 as if this act had not
34	been passed.
35	(c) The amount of the shortfall levy under subsection (b) shall
36	be treated as an addition to the amount allowed in 2005 under
37	IC 12-29-2, as amended by this act. The ad valorem property tax
38	levy limits imposed by IC 12-29-2, as amended by this act, do not
39	apply to ad valorem property taxes imposed under subsection (b).
40	The shortfall levy imposed under this SECTION may not be

considered in computing ad valorem property tax levies under

IC 12-29-2, as amended by this act, for property taxes first due and



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1	payable after 2005.	
2	SECTION 17. [EFFECTIVE JULY 1, 2004] (a) In addition to the	
3	duties specified under IC 2-5-26, the select joint commission on	
4	Medicaid oversight established by IC 2-5-26-3 shall, to the extent	
5	the commission determines is feasible after consultation with the	
6	office of Medicaid policy and planning established by IC 12-8-6-1,	
7	study the following effects of the repeal of continuous eligibility for	
8	children under the Indiana Medicaid program and the children's	
9	health insurance program established under IC 12-17.6-2:	_
10	(1) Effects on government, including the following:	
11	(A) Costs to Medicaid and the division of family and	
12	children established by IC 12-13-1-1 due to more frequent	
13	recertification requirements.	
14	(B) Loss of revenue from federal matching funds that could	
15	not be obtained because of the repeal of continuous	
16	eligibility.	
17	(2) Effects on the economy, including the following:	
18	(A) Indirect cost-shifting to providers due to increased	
19	charity care because recipients have lapses in eligibility.	
20	(B) Increased burdens on township assistance (poor relief).	
21	(3) Effects on children, including the following:	
22	(A) Increases in the level of uninsured children in Indiana.	
23	(B) Decreases in wellness and the effects on the educational	
24	abilities of sicker children.	_
25	(4) Effects on families, including the following:	
26	(A) Effects on family income due to the burden of sicker	
27	children.	
28	(B) Effects on the ability of parents to maintain stable	<b>\</b>
29	employment due to sicker children or more burdensome	
30	recertification procedures.	
31	(b) The select joint commission on Medicaid oversight shall	
32	submit to the legislative council before November 1, 2004, a report	
33	of its findings and recommendations concerning the study under	
34	subsection (a). The report must be submitted in an electronic	
35	format under IC 5-14-6.	
36	(c) The office of the secretary of family and social services shall	
37 38	cooperate with the select joint commission on Medicaid oversight	
39	and provide the commission with information and data necessary	
	for the commission to carry out this SECTION.	
40	(d) This SECTION expires January 1, 2005.	



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SECTION 18. An emergency is declared for this act.

### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1320, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1320 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 26, nays 0.

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#### HOUSE MOTION

Mr. Speaker: I move that House Bill 1320 be amended to read as follows:

Page 14, after line 42, begin a new paragraph and insert:

"SECTION 10. [EFFECTIVE JULY 1, 2004] (a) In addition to the duties specified under IC 2-5-26, the select joint commission on Medicaid oversight established by IC 2-5-26-3 shall, to the extent the commission determines is feasible after consultation with the office of Medicaid policy and planning established by IC 12-8-6-1, study the following effects of the repeal of continuous eligibility for children under the Indiana Medicaid program and the children's health insurance program established under IC 12-17.6-2:

- (1) Effects on government, including the following:
  - (A) Costs to Medicaid and the division of family and children established by IC 12-13-1-1 due to more frequent recertification requirements.
  - (B) Loss of revenue from federal matching funds that could not be obtained because of the repeal of continuous eligibility.
- (2) Effects on the economy, including the following:
  - (A) Indirect cost-shifting to providers due to increased charity care because recipients have lapses in eligibility.
  - (B) Increased burdens on township assistance (poor relief).
- (3) Effects on children, including the following:
  - (A) Increases in the level of uninsured children in Indiana.
  - (B) Decreases in wellness and the effects on the educational abilities of sicker children.
- (4) Effects on families, including the following:
  - (A) Effects on family income due to the burden of sicker children.
  - (B) Effects on the ability of parents to maintain stable employment due to sicker children or more burdensome recertification procedures.
- (b) The select joint commission on Medicaid oversight shall submit to the legislative council before November 1, 2004, a report of its findings and recommendations concerning the study under subsection (a). The report must be submitted in an electronic format under IC 5-14-6.











## (c) This SECTION expires January 1, 2005.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1320 as printed January 30, 2004.)

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#### COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1320, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert: "SECTION 1. IC 6-1.1-18-12, AS ADDED BY P.L.1-2004, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE DECEMBER 12, 2003 (RETROACTIVE)]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

- (1) property tax rate or rates; or
- (2) special benefits tax rate or rates; referred to in the statutes listed in subsection (d).
- (b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.
  - (c) The maximum rate must be adjusted:
    - (1) each time an annual adjustment of the assessed value of real property takes effect under IC 6-1.1-4-4.5; and
    - (2) each time a general reassessment of real property takes effect under IC 6-1.1-4-4.
  - (d) The statutes to which subsection (a) refers are:
    - (1) IC 8-10-5-17;
    - (2) IC 8-22-3-11;
    - (3) IC 8-22-3-25;
    - (4) IC 12-29-1-1;
    - (5) IC 12-29-1-2;
    - (6) IC 12-29-1-3;
    - (7) IC 12-29-2-13;
    - <del>(8)</del> **(7)** IC 12-29-3-6;
    - <del>(9)</del> **(8)** IC 13-21-3-12;
    - <del>(10)</del> **(9)** IC 13-21-3-15; <del>(11)</del> **(10)** IC 14-27-6-30;
    - <del>(12)</del> **(11)** IC 14-33-7-3;
    - <del>(13)</del> **(12)** IC 14-33-21-5;
    - (14) (13) IC 15-1-6-2;
    - <del>(15)</del> **(14)** IC 15-1-8-1;
    - (16) (15) IC 15-1-8-2;
    - <del>(17)</del> **(16)** IC 16-20-2-18;

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(18) (17) IC 16-20-4-27;
<del>(19)</del> (18) IC 16-20-7-2;
(20) (19) IC 16-23-1-29;
<del>(21)</del> (20) IC 16-23-3-6;
<del>(22)</del> (21) IC 16-23-4-2;
<del>(23)</del> (22) IC 16-23-5-6;
<del>(24)</del> (23) IC 16-23-7-2;
<del>(25)</del> (24) IC 16-23-8-2;
<del>(26)</del> (25) IC 16-23-9-2;
<del>(27)</del> (26) IC 16-41-15-5;
<del>(28)</del> (27) IC 16-41-33-4;
(29) (28) IC 20-5-17.5-2;
<del>(30)</del> (29) IC 20-5-17.5-3;
<del>(31)</del> (30) IC 20-5-37-4;
<del>(32)</del> (31) IC 20-14-7-5.1;
<del>(33)</del> (32) IC 20-14-7-6;
(34) (33) IC 20-14-13-12;
<del>(35)</del> (34) IC 21-1-11-3;
<del>(36)</del> (35) IC 21-2-17-2;
<del>(37)</del> (36) IC 23-13-17-1;
(38) (37) IC 23-14-66-2;
<del>(39)</del> (38) IC 23-14-67-3;
<del>(40)</del> (39) IC 36-7-13-4;
(41) (40) IC 36-7-14-28;
<del>(42)</del> (41) IC 36-7-15.1-16;
<del>(43)</del> (42) IC 36-8-19-8.5;
<del>(44)</del> (43) IC 36-9-6.1-2;
(45) (44) IC 36-9-17.5-4;
<del>(46)</del> (45) IC 36-9-27-73;
<del>(47)</del> (46) IC 36-9-29-31;
(48) (47) IC 36-9-29.1-15;
<del>(49)</del> (48) IC 36-10-6-2;
<del>(50)</del> (49) IC 36-10-7-7;
<del>(51)</del> (50) IC 36-10-7-8;
(52) (51) IC 36-10-7.5-19; and
(53) (52) any statute enacted after December 31, 2003, that:
   (A) establishes a maximum rate for any part of the:
      (i) property taxes; or
      (ii) special benefits taxes;
   imposed by a political subdivision; and
   (B) does not exempt the maximum rate from the adjustment
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under this section.



(e) The new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP SEVEN of the following STEPS:

STEP ONE: Determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment takes effect.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first take effect.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year. STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

- (A) Zero (0).
- (B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

SECTION 2. IC 6-1.1-18.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 10. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit to be used to fund:

- (1) community mental health centers under <del>IC</del> <del>12-29-2-1</del> **IC** 12-29-2-2; **IC** 12-29-2-5; or
- (2) community mental retardation and other developmental







disabilities centers under IC 12-29-1-1;

to the extent that those property taxes are attributable to any increase in the assessed value of the civil taxing unit's taxable property caused by a general reassessment of real property that took effect after February 28, 1979.

(b) For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy described in subsection (a).

SECTION 3. IC 12-29-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 1. (a) The county executive of a county may authorize the furnishing of financial assistance to the following:

- (1) A community mental health center that is located or will be located in the county.
- (2) a community mental retardation and other developmental disabilities center that is located or will be located in the county.
- (b) Assistance authorized under this section shall be used for the following purposes:
  - (1) Constructing a center.
  - (2) Operating a center.
- (c) Upon request of the county executive, the county fiscal body may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in subsection (b). The appropriation may not exceed the amount that could be collected from an annual tax levy of not more than three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

SECTION 4. IC 12-29-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 2. (a) If a community mental health center or a community mental retardation and other developmental disabilities center is organized to provide services to at least two (2) counties, the county executive of each county may authorize the furnishing of financial assistance for the purposes described in section 1(b) of this chapter.

(b) Upon the request of the county executive of the county, the county fiscal body of each county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. The appropriation of each county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the











county.

SECTION 5. IC 12-29-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 3. (a) The county executive of each county whose residents may receive services from a community mental health center or a community mental retardation and other developmental disabilities center may authorize the furnishing of a share of financial assistance for the purposes described in section 1(b) of this chapter if the following conditions are met:

- (1) The facilities for the center are located in a state adjacent to Indiana.
- (2) The center is organized to provide services to Indiana residents.
- (b) Upon the request of the county executive of a county, the county fiscal body of the county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. The appropriations of the county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

SECTION 6. IC 12-29-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 4. (a) Bonds of a county may be issued for the construction and equipment or the improvement of a building to house the following:

- (1) A community mental health center.
- (2) a community mental retardation and other developmental disabilities center.
- (b) If services are provided to at least two (2) counties:
  - (1) bonds of the counties involved may be issued to pay the proportionate cost of the project in the proportion determined and agreed upon by the fiscal bodies of the counties involved; or
  - (2) bonds of one (1) county may be issued and the remaining counties may annually appropriate to the county issuing the bonds amounts to be applied to the payment of the bonds and interest on the bonds in the proportion agreed upon by the county fiscal bodies of the counties involved.

SECTION 7. IC 12-29-1-7, AS AMENDED BY P.L.215-2001, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 7. (a) On the first Monday in October, the county auditor shall certify to:

(1) the division of mental health and addiction, for a community mental health center;

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- (2)(1) the division of disability, aging, and rehabilitative services, for a community mental retardation and other developmental disabilities center; and
- (3) (2) the president of the board of directors of each center; the amount of money that will be provided to the center under this chapter.
- (b) The county payment to the center shall be paid by the county treasurer to the treasurer of each center's board of directors in the following manner:
  - (1) One-half (1/2) of the county payment to the center shall be made on the second Monday in July.
  - (2) One-half (1/2) of the county payment to the center shall be made on the second Monday in December.

A county making a payment under this subsection or from other county sources to a community mental health center that qualifies as a community mental health center disproportionate share provider under IC 12-15-16-1 shall certify that the payment represents expenditures eligible for financial participation under 42 U.S.C. 1396b(w)(6)(A) and 42 CFR 433.51. The office shall assist a county in making this certification:

- (c) Payments by the county fiscal body
  - (1) must be in the amounts:
    - (A) determined by IC 12-29-2-1 through IC 12-29-2-6; and
    - (B) authorized by section 1 of this chapter; and
  - (2) are in place of grants from agencies supported within the county solely by county tax money.

SECTION 8. IC 12-29-2-1.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 1.2. (a) The county executive of a county may authorize the furnishing of financial assistance for the purposes described in subsection (b) to a community mental health center that is located or will be located:

- (1) in the county;
- (2) anywhere in Indiana, if the community mental health center is organized to provide services to at least two (2) counties, including the county executive's county; or
- (3) in an adjacent state, if the center is organized to provide services to Indiana residents, including residents in the county executive's county.

If a community mental health center is organized to serve more than one (1) county, upon request of the county executive, each county fiscal body may appropriate money annually from the

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county's general fund to provide financial assistance for the community mental health center.

- (b) Assistance authorized under this section shall be used for the following purposes:
  - (1) Constructing a community mental health center.
  - (2) Operating a community mental health center.
- (c) The appropriation from a county authorized under subsection (a) may not exceed the following:
  - (1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by two and five hundred four thousandths (2.504).
  - (2) For 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by two and five hundred four thousandths (2.504).

SECTION 9. IC 12-29-2-2, AS AMENDED BY P.L.1-2004, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 2. (a) Subject to subsections (b), (c), and (d), A county shall fund the operation of community mental health centers in an the amount not less than the amount that would be raised by an annual tax rate of one and thirty-three hundredths cents (\$0.0133) on each one hundred dollars (\$100) of taxable property within the county, determined under subsection (b), unless a lower tax rate levy amount will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

- (1) If the total population of the county is served by one (1) center
- (2) If the total population of the county is served by more than one
- (1) center.
- (3) If the partial population of the county is served by one (1) center.
- (4) If the partial population of the county is served by more than one (1) center.

(b) This subsection applies only to a property tax that is imposed in a county containing a consolidated city. The tax rate permitted under subsection (a) for taxes first due and payable after 1995 is the tax rate permitted under subsection (a) as adjusted under this subsection. For each year in which an annual adjustment of the assessed value of real property will take effect under IC 6-1.1-4-4.5 or a general reassessment of property will take effect, the department of local government finance shall compute the maximum rate permitted under subsection (a) as

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#### follows:

STEP ONE: Determine the maximum rate for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year. STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of:

(A) the STEP ONE tax rate; divided by

(B) one (1) plus the STEP SIX percentage increase.

This maximum rate is the maximum rate under this section until a new maximum rate is computed under this subsection for the next year in which an annual adjustment under IC 6-1.1-4-4.5 or a general reassessment of property will take effect.

(c) With respect to a county to which subsection (b) does not apply, The maximum tax rate permitted under subsection (a) for taxes first due and payable in a calendar year 2004 and calendar year 2005 is the maximum tax rate that would have been determined under subsection (d) for taxes first due and payable in 2003 if subsection (d) had applied to the county for taxes first due and payable in 2003.

(d) This subsection applies only to a county to which subsection (b) does not apply. The tax rate permitted under subsection (a) for taxes first due and payable after calendar year 2005 is the tax rate permitted under subsection (c) as adjusted under this subsection. For each year

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in which an annual adjustment of the assessed value of real property will take effect under IC 6-1.1-4-4.5 or a general reassessment of property will take effect, the department of local government finance shall compute the maximum rate permitted under subsection (a) as follows:

STEP ONE: Determine the maximum rate for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined under STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year. STEP FIVE: Divide the sum of the three (3) quotients computed under STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of:

(A) the STEP ONE tax rate; divided by

(B) one (1) plus the STEP SIX percentage increase.

This maximum rate is the maximum rate under this section until a new maximum rate is computed under this subsection for the next year in which an annual adjustment under IC 6-1.1-4-4.5 or a general reassessment of property will take effect.

- (b) The amount of funding under subsection (a) for taxes first due and payable in a calendar year is the following:
  - (1) For 2004, the amount is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the amount that was levied within the county to comply with this section from property taxes

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first due and payable in 2002.

STEP TWO: Multiply the STEP ONE result by the county's assessed value growth quotient for the ensuing year 2003, as determined under IC 6-1.1-18.5-2.

STEP THREE: Multiply the STEP TWO result by the county's assessed value growth quotient for the ensuing year 2004, as determined under IC 6-1.1-18.5-2.

- (2) For 2005 and each year thereafter, the result equal to:
  - (A) the amount that was levied in the county to comply with this section from property taxes first due and payable in the calendar year immediately preceding the ensuing calendar year; multiplied by
  - (B) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2.

SECTION 10. IC 12-29-2-13, AS AMENDED BY P.L.215-2001, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 13. (a) This section applies to a Lake County. having a population of not less than four hundred thousand (400,000) but not more than seven hundred thousand (700,000).

- (b) In addition to any other appropriation under this article, a the county annually may fund each center serving the county from the county's general fund in an amount not exceeding the amount that would be raised by a tax rate of one cent (\$0.01) on each one hundred dollars (\$100) of taxable property within the county the following:
  - (1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by seven hundred fifty-two thousandths (0.752).
  - (2) For 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by seven hundred fifty-two thousandths (0.752).
- (c) The receipts from the tax levied under this section shall be used for the leasing, purchasing, constructing, or operating of community residential facilities for the chronically mentally ill (as defined in IC 12-7-2-167).
  - (d) Money appropriated under this section must be:
    - (1) budgeted under IC 6-1.1-17; and
    - (2) included in the center's budget submitted to the division of mental health and addiction.
  - (e) Permission for a levy increase in excess of the levy limitations









may be ordered under IC 6-1.1-18.5-15 only if the levy increase is approved by the division of mental health and addiction for a community mental health center.

SECTION 11. IC 12-29-2-17 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 17. (a) Bonds of a county may be issued for the construction and equipment or the improvement of a building to house a community mental health center.

- (b) If services are provided to at least two (2) counties:
  - (1) bonds of the counties involved may be issued to pay the proportionate cost of the project in the proportion determined and agreed upon by the fiscal bodies of the counties involved; or
  - (2) bonds of one (1) county may be issued and the remaining counties may annually appropriate to the county issuing the bonds amounts to be applied to the payment of the bonds and interest on the bonds in the proportion agreed upon by the county fiscal bodies of the counties involved.

SECTION 12. IC 12-29-2-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 18. All general Indiana statutes relating to the following apply to the issuance of county bonds under this chapter:

- (1) The filing of a petition requesting the issuance of bonds.
- (2) The giving of notice of the following:
  - (A) The filing of the petition requesting the issuance of the bonds.
  - (B) The determination to issue bonds.
  - (C) A hearing on the appropriation of the proceeds of the bonds
- (3) The right of taxpayers to appear and be heard on the proposed appropriation.
- (4) The approval of the appropriation by the department of local government finance.
- (5) The right of taxpayers to remonstrate against the issuance of bonds.

SECTION 13. IC 12-29-2-19 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 19. If bonds are issued under this chapter:** 

(1) the building that is constructed, equipped, or improved

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with proceeds of the bonds is:

- (A) the property of the county issuing the bonds; or
- (B) the joint property of the counties involved if the bonds are issued by at least two (2) counties; and
- (2) the tax limitations in this chapter do not apply to the levy of taxes to pay the bonds and the interest on the bonds.

SECTION 14. IC 12-29-2-20 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 20. (a) On the first Monday in October, the county auditor shall certify to:** 

- (1) the division of mental health and addiction, for a community mental health center; and
- (2) the president of the board of directors of each community mental health center;

the amount of money that will be provided to the community mental health center under this chapter.

- (b) The county payment to the community mental health center shall be paid by the county treasurer to the treasurer of each community mental health center's board of directors in the following manner:
  - (1) One-half (1/2) of the county payment to the community mental health center shall be made on the second Monday in July.
  - (2) One-half (1/2) of the county payment to the community mental health center shall be made on the second Monday in December.
- (c) A county making a payment under this section or from other county sources to a community mental health center that qualifies as a community mental health center disproportionate share provider under IC 12-15-16-1 shall certify that the payment represents expenditures eligible for financial participation under 42 U.S.C. 1396b(w)(6)(A) and 42 CFR 433.51. The office shall assist a county in making this certification.
  - (d) Payments by the county fiscal body:
    - (1) must be in the amounts:
      - (A) determined by sections 2 through 5 of this chapter; and
      - (B) authorized by sections 1.2 and 13 of this chapter; and
    - (2) are in place of grants from agencies supported within the county solely by county tax money.

SECTION 15. IC 12-29-2-6 IS REPEALED [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)].

SECTION 16. [EFFECTIVE JANUARY 1, 2004



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(RETROACTIVE)] (a) IC 12-29-1 and IC 12-29-2, both as amended by this act, apply to property taxes first due and payable after December 31, 2003.

- (b) If the department of local government finance determines that compliance with this act would cause an unreasonable delay in the certification of budgets, tax rates, and tax levies in a county, the department of local government finance may certify budgets, tax rates, and tax levies for the county under IC 6-1.1-18-12, IC 12-29-1, and IC 12-29-2 as if this act had not been passed. However, if the department of local government finance takes this action, the affected county and the department of local government finance shall provide for an additional shortfall property tax levy and an additional budgeted amount in 2005 to replace the revenue lost in 2004 to community mental health centers as a result of certifying budgets, tax rates, and tax levies for the county under IC 6-1.1-18-12, IC 12-29-1, and IC 12-29-2 as if this act had not been passed.
- (c) The amount of the shortfall levy under subsection (b) shall be treated as an addition to the amount allowed in 2005 under IC 12-29-2, as amended by this act. The ad valorem property tax levy limits imposed by IC 12-29-2, as amended by this act, do not apply to ad valorem property taxes imposed under subsection (b). The shortfall levy imposed under this SECTION may not be considered in computing ad valorem property tax levies under IC 12-29-2, as amended by this act, for property taxes first due and payable after 2005."

Delete pages 2 through 14.

Page 15, line 35, after "(c)" insert "The office of the secretary of family and social services shall cooperate with the select joint commission on Medicaid oversight and provide the commission with information and data necessary for the commission to carry out this SECTION.

(d)".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1320 as reprinted February 3, 2004.)

MILLER, Chairperson

Committee Vote: Yeas 11, Nays 0.









